

**Justice For Myanmar responds to Emerging Towns & Cities Independent Review  
*Review provides further detail of payments to Myanmar army***

*Sep. 24, 2021, Myanmar:* Singapore Stock Exchange-listed company Emerging Towns & Cities Singapore (ETC) has released an extract of the first of two independent review reports into the company's payments to the Myanmar military and its fundraising. The review is a response to regulatory actions taken by the Singapore Stock Exchange following Justice For Myanmar's publication of an investigation into ETC's business with the office of the quartermaster general of the Myanmar army for the Golden City real estate development. Justice For Myanmar found that ETC's payments to the quartermaster general, which is the office tasked with weapons purchases, finances the military's international crimes.

In its announcement of regulatory actions, SGX asked ETC to respond to Justice For Myanmar's report and for the company and its sponsor, RHT Capital Pte. Ltd., to confirm that ETC is suitable for listing, citing Practice Note 2B, paragraph 8(b), "entities that may be involved in or connected with any money laundering, terrorist financing, or other illicit activities should not be listed".

The review of transactions, carried out by Nexia TS (associated with the UK firm Smith & Williamson), looked at payment transactions in relation to ETC's Myanmar subsidiary, Golden Land Real Estate Development, one of the lessees of the Golden City development. The reviewers identified two payments to the office of the quartermaster general in 2018 and one in 2020, totalling US\$5.035 million. According to the summary of findings, payments to the army were communicated "verbally and there were no formal written invoices".

The review also found that annual payments to the army were made in MMK using a below market exchange rate of 830 MMK to the USD agreed to with the quartermaster general's office, although the reviewers noted that there is "no formal written agreement or notification". ETC has kept the balance as an accrued land lease premium. Justice For Myanmar asked ETC to explain why the army agreed to deflate the exchange rate, where the accrued land lease premium account is kept and whether ETC has paid or intends to pay these funds in another way. The company has yet to provide a response.

The reviewers concluded that "based on our agreed upon scope of work and summary of findings, the payment transactions extracted and reviewed were conducted in the ordinary course of business."

Nexia TS did not investigate connections between payments to the Myanmar army and "money laundering, terrorist financing, or other illicit activities".

# JUSTICE FOR MYANMAR

**Justice For Myanmar spokesperson Yadanar Maung says:** *“ETC’s independent review provides further evidence of the company’s financing of the Myanmar military, an international criminal entity that continues to commit war crimes and crimes against humanity. The Myanmar army is systemically corrupt, so it is unsurprising that they do not even issue invoices for payments received. The army is exempt from Auditor-General scrutiny and ETC’s independent review demonstrates that the funds paid to the army are untraceable. ETC must explain the exchange rate discrepancy, which is particularly concerning given the military’s history of exchange rate corruption. The Myanmar army’s ongoing atrocities include mass killings, torture and rape, crimes that ETC is aiding and abetting through its business dealings, supported by its listing on the SGX. We therefore urge the SGX to delist ETC from the stock exchange.”*

## **Note to editors**

See Justice For Myanmar’s report into ETC here:

<https://www.justiceformyanmar.org/stories/singapore-stock-exchange-listed-real-estate-firm-contributes-millions-for-myanmar-army>

Justice For Myanmar, a group of covert activists campaigning for justice and accountability for the people of Myanmar, is calling for an end to military business and for federal democracy and a sustainable peace.

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For more information please contact:

Yadanar Maung

Email: [media@justiceformyanmar.org](mailto:media@justiceformyanmar.org)

Website: <https://www.justiceformyanmar.org/>

Mirror: <https://justiceformyanmar.github.io/justiceformyanmar.org/>

Twitter: @justicemyanmar

Facebook: <https://www.facebook.com/justiceformyanmar.org/>